

P-421/CP-87-506; P-421/CP-86-571; P-421/CP-86-272 ORDER GRANTING
TIME EXTENSION

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm
Cynthia A. Kitlinski
Dee Knaak
Norma McKanna

Chair
Commissioner
Commissioner
Commissioner

In the Matter of the Petition of
Certain Subscribers in the
Buffalo Exchange for Extended
Area Service to the
Minneapolis/St. Paul
Metropolitan Calling Area

ISSUE DATE: March 19, 1992

DOCKET NO. P-421/CP-87-506

DOCKET NO. P-421/CP-86-571

In the Matter of the Petition of
Certain Subscribers in the
Cambridge Exchange for Extended
Area Service to the
Minneapolis/St. Paul
Metropolitan Calling Area

DOCKET NO. P-421/CP-86-272

In the Matter of the Petition of
Certain Subscribers in the North
Branch Exchange for Extended
Area Service to the
Minneapolis/St. Paul
Metropolitan Calling Area

ORDER GRANTING TIME EXTENSION

PROCEDURAL HISTORY

Subscribers in the Buffalo, Cambridge and North Branch exchanges submitted petitions requesting extended area service (EAS) with the Minneapolis/St. Paul metropolitan local calling area (metro calling area). The petitioning exchanges are served by US WEST Communications, Inc. (US WEST). Eckles Telephone Company (Eckles), GTE Minnesota (GTE), Scott-Rice Telephone Company (Scott-Rice), United Telephone Company (United), Vista Minnesota (Vista) and US WEST serve the metro calling area.

Pursuant to Minn. Stat. § 237.161, the above telephone companies filed cost studies and proposed rates for the three EAS routes. On November 12, 1991, US WEST submitted its final revisions to its cost studies and proposed rates.

On February 5, 1992, the Department of Public Service (the Department) filed its report and recommendations on the three EAS petitions. The Department recommended that the Commission accept

the costs and rates submitted by Eckles, GTE, Scott-Rice, Vista and United.

In its February 5 report, the Department noted that US WEST's filings incorporated a return on common equity and cost of debt which reflected the Company's financial picture before the current economic downturn. Since the Company's cost of money would now be lower, the Department reasoned, US WEST should refile using adjusted figures or adopt the alternative rates calculated by the Department.

On February 25, 1992, US WEST filed a response to the Department's report and recommendations. US WEST stated that it had recently revised its return on equity and cost of debt as used in cost studies. The Company stated that it could refile revised cost studies and proposed rates for the three EAS routes within 30 days. US WEST asked for an extension of time to accommodate the refiling.

The matter came before the Commission for consideration on March 10, 1992.

FINDINGS AND CONCLUSIONS

The Commission notes that US WEST's use of a lower rate of return on common equity and lower cost of debt will probably result in a slight decrease in the proposed EAS rates. If US WEST's costs change, there may also be an effect on the proposed rates of the other affected telephone companies, Eckles, GTE, Scott-Rice, United and Vista. For these reasons, the Commission will grant US WEST its requested 30 day extension of time in which to file revised cost studies and proposed rates reflecting the Company's current financial situation. The comment period for other parties will be adjusted accordingly.

ORDER

1. On or before March 26, 1992, US WEST shall file revised costs with the other affected telephone companies, and revised costs and proposed rates with the Commission and the Department.
2. If Eckles, GTE, Scott-Rice, United and Vista find that revised rates are necessary, they shall file said revised rates with the Commission and the Department within 15 days of receipt of cost studies from US WEST.

3. The Department shall file any supplemental comments, including proposed rates which reflect any changes advocated by the Department, within 10 days of receipt of the revised cost studies and proposed rates.
4. Affected telephone companies shall file responses to information requests issued by the Department within five working days of receipt of the requests.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)